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THE COMMONWEALTH PLAN, INC.

INTERSTATE COMMERCE COMMISSION

2655 CAMPUS DRIVE, SAN MATEO, CALIFORNIA 94403

EXECUTIVE OFFICES

AREA CODE 415
573-1200

February 9, 1981

1-042A193

No.

Date:

Fee \$

ICC Washington, D. C.

Mrs. Agatha L. Mergenovich
Secretary
Interstate Commerce Commission
12th and Constitution Avenues, N.W.
Washington, D.C. 20423

Attention: Mrs. Mildred Lee, Room 2227

Dear Madam Secretary:

There are handed to you herewith, for recording in compliance with the provisions of Section 20c of the Interstate Commerce Commission, five original counterparts each of a Master Conditional Sale Agreement, Master Leasing Agreement and Assignment of Rents each dated as of December 1, 1980, together with this Company's check in the amount of \$70.00 in payment of the required recording fees.

The following information is set forth in accordance with the provisions of Section 57.4 of the Commission's Order of July 28, 1952, as amended:

Name and Address of Conditional Seller and Assignee:

The Commonwealth Plan, Inc.
2655 Campus Drive, Suite 200
San Mateo, California 94403

Name and Address of Conditional Buyer, Lessor and Assignor:

Southwestern States Management Co.
701 Commerce Street
Dallas, Texas 75202

Name and Address of Lessee:

Missouri-Kansas-Texas Railroad Company
701 Commerce Street
Dallas, Texas 75202

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RECORDATION NO.

12905-B

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INTERSTATE COMMERCE COMMISSION

General Description of the Equipment Covered by the Agreements:

<u>Description</u>	<u>Identifying Marks</u>
70 ton covered hopper cars, approximately 3600 cu. ft. capacity, AAR-LO	BKTY 1000-1003, 1005-1021, 1023, 1026, 1028, 1029
70 ton covered hopper cars, approximately 2600 cu. ft. capacity, AAR-LO	BKTY 1300, 1302-1374
100 ton 60'105" cushion underframe box cars, AAR-XML	BKTY 648, 649
100 ton covered hopper airslide cars, approximately 4180 cu. ft. capacity, AAR-LO	BKTY 1200-1207, 1209-1228
70 ton covered hopper air-slide cars, 2600 cu. ft. capacity, AAR-LO	BKTY 1050-1053
100 ton 50'1" insulated cushion underframe box cars, AAR-RBL	BKTY 75-85, 87-98
100 ton covered hopper cars, approximately 4427 cu. ft. capacity, AAR-LO	BKTY 1100-1120, 1122-1126, 1128-1135, 1137-1149, 1150-1154
70 ton non-insulated box cars, approximately 4500 cu. ft. capacity, AAR-XM	BKTY 20500-20505, 20507-20515, 20517-20526, 20528-20534, 20536-20552, 20554-20566, 20568-20573, 20575-20586, 20588-20595, 20597-20602, 20604-20609, 20611-20613, 20615-20627, 20629-20641
100 ton standard coal hopper cars, fixed ends, AAR-HT	BKTY 1500-1512, 1515-1533, 1535-1550, 1552-1562, 1564-1565, 1567-1568, 1570-1581, 1583-1585, 1588, 1590-1593, 1595-1599

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70 ton underframe insulated BKTY 20200-20225, 20227-20231,
box cars with plug doors, 20233-20259, 20261-20266,
AAR-RBL 20268-20299, 20300, 20302,
 20304-20306, 20308-20311

70 ton underframe insulated BKTY 20401-20404, 20406,
box cars with plug doors, 20408-20428, 20431,
AAR-XMI 20433-20439, 20442,
 20444-20446, 20448-20457,
 20459-20469, 20472-20475,
 20477, 20479-20490,
 20492-20494, 20496-20499

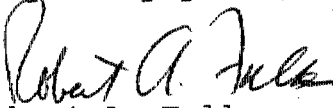
70 ton under frame insulated BKTY 20656-20661, 20663,
box cars with plug doors, 20665-20667, 20669-20677,
AAR-RBL 20679, 20680, 20682-20699,
 20701-20705, 20707-20709,
 20711-20717, 20719-20731,
 20733-20744, 20746, 20747,
 20749-20751, 20754-20758,
 20760-20763, 20765, 20766,
 20768-20773, 20775-20786,
 20788-20814, 20816-20820,
 20822-20825

70 ton high side gondola BKTY 21450-21472, 21474-21493,
cars, fixed ends, AAR-GBSR 20495-21499

70 ton non-insulated box BKTY 20650-20652, 20654-20655
cars, approximately 4500
cu. ft., AAR-XL

When recording of the enclosed documents has been completed, will you kindly return to our representative four counterparts of each document.

Very truly yours,


Robert A. Fuller
Counsel

RAF/glj
Enclosures

Interstate Commerce Commission
Washington, D.C. 20423

OFFICE OF THE SECRETARY

Robert A. Filler
The Commonwealth Plan, Inc.
2655 Campus Drive
San Mateo, California 94403

Dear Sir:

The enclosed document(s) was recorded pursuant to the provisions of Section 11303 of the Interstate Commerce Act, 49 U.S.C. 11303, on 2/11/81 at 2:15PM, and assigned re-recording number(s). 12905, 12905-A, & 12905-B

Sincerely yours,

Agatha L. Mergenovich
Agatha L. Mergenovich
Secretary

Enclosure(s)

FEB 11 1981 -2 15 PM

INTERSTATE COMMERCE COMMISSION

MASTER CONDITIONAL SALE AGREEMENT

Dated as of December 1, 1980

Between

The Commonwealth Plan, Inc.

as Seller

and

Southwestern States Management Co.

as Conditional Buyer

Acknowledged and Agreed to by

Missouri-Kansas-Texas Railroad Company

as Lessee

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MASTER CONDITIONAL SALE AGREEMENT

Section 1. Parties. This Agreement dated and effective as of December 1, 1980, is made by and between the following parties:

<u>Name and Address</u>	<u>Identified Herein</u>
The Commonwealth Plan, Inc. 2655 Campus Drive, Suite 200 San Mateo, California 94403 Attention: President	"Seller"
Southwestern States Management Co. 701 Commerce Dallas, Texas 75202 Attention: Vice President & General Manager	"Buyer"
Missouri-Kansas-Texas Railroad Company 701 Commerce Dallas, Texas 75202 Attention: Executive Vice President/Financial	"Railroad"

Section 2. Notice. Any notice or demand desired or required to be given hereunder shall be in writing and deemed given when personally delivered or deposited in the U.S. Mail, postage prepaid, sent certified or registered, and addressed as respectively set forth above or to such other address as any party shall have previously designated by like notice. Any notice so delivered personally shall be deemed to be received on the date of delivery and any notice so mailed shall be deemed to have been received five (5) days after the date of mailing.

Section 3. Exhibits. There are attached hereto and incorporated herein the following exhibits:

Exhibit A -	Equipment
Exhibit B -	Payment Schedule
Exhibit C -	Master Leasing Agreement
Exhibit D -	Assignment of Rents
Exhibit E -	Acknowledgement of Assignment of Rents

Section 4. Recitals. This Agreement is made in reference to the following facts and objectives:

4.1. Railroad entered into the following listed Railroad Equipment Leasing Agreements with Seller covering in part the Equipment listed in Exhibit A:

<u>Lease</u>	<u>Date</u>	<u>Identified Herein</u>
Railroad Equipment Leasing Agreement No. 1	July 16, 1965	"Lease No. 1"
Railroad Equipment Leasing Agreement No. 2	July 16, 1965	"Lease No. 2"
		Collectively the "Leases"

4.2. The "Lease Term" as defined in the Leases for the Equipment will terminate on the dates shown in Exhibit A.

4.3. Upon the termination of the Lease Term Seller wishes to sell the Equipment to Buyer and Buyer desires to buy the Equipment from Seller upon the terms and conditions of this Agreement.

4.4. Simultaneous with the execution of this Agreement, Buyer and Railroad shall execute a Master Leasing Agreement upon the same terms and conditions as contained in the Master Leasing Agreement attached as Exhibit C. Thereafter, simultaneous with the execution of each Individual Sales Record as hereinafter defined, Buyer and Railroad will execute an Individual Leasing Record as defined in the Master Leasing Agreement.

4.5. Simultaneous with the execution of the Master Leasing Agreement between Buyer and Railroad, Buyer shall execute and deliver to Seller an Assignment of Rents in form as contained in the Assignment of Rents attached as Exhibit D, and Railroad shall execute and deliver to Seller an Acknowledgement of Assignment of Rents in form as contained in the Acknowledgement of Assignment of Rents attached as Exhibit E.

Section 5. Definitions. As herein used:

5.1. "Equipment" means that portion of the units of railroad rolling stock more particularly described in Exhibit A.

5.2. "Individual Sales Record", hereinafter referred to as "ISR", is a record with respect to the Equipment dated the date of the sale of the Equipment to Buyer and setting forth a full description of the Equipment, an allocation per individual piece of Equipment of the aggregate purchase price as set forth in Section 8.1, and such other details as the parties may desire. An ISR shall contain a short form of sales agreement to be executed by each of the parties reading substantially as follows:

"The undersigned Seller hereby sells to the undersigned Buyer the Equipment described herein. The covenants, terms and conditions of this Sales Agreement are those contained in a Master Conditional Sale Agreement between the undersigned Seller and Buyer dated as of December 1, 1980, which covenants, terms and conditions are hereby incorporated by reference.

THE COMMONWEALTH PLAN, INC., Seller

By _____

SOUTHWESTERN STATES MANAGEMENT CO.

Buyer

By _____"

5.3. "Closing Date" shall mean the date the Lease Term under the Leases is terminated for any unit of Equipment as set forth in Exhibit A.

5.4. "Termination Payment" for each unit of Equipment will be a dollar amount bearing the same ratio to the Termination Payment set forth in Exhibit B as the allocated purchase price of such Equipment bears to \$100,000.

5.5. "Interim Period" means the period of time commencing on the Closing Date(s) for each unit of Equipment and ending on September 30, 1981.

Section 6. Sale of Equipment. Seller agrees to sell the Equipment to Buyer and Buyer agrees to purchase the Equipment from Seller upon all of the terms, covenants and conditions hereinafter set forth.

Section 7. Delivery.

7.1. Buyer recognizes that the Equipment is in the Railroad's possession and that this Agreement contemplates no change in possession of the Equipment.

7.2. Upon the execution of an ISR Buyer thereby acknowledges that Railroad has possession of the Equipment and that such ISR shall constitute conclusive evidence that the Equipment is acceptable to the Buyer in all details.

Section 8. Purchase Price and Payment.

8.1. The aggregate "Purchase Price" for all the Equipment shall be \$11,185,900.00 with interest thereon at the rate of 5.5 percent per annum until paid, which Purchase Price shall be allocated among each unit of Equipment as outlined in Exhibit A.

8.2. The Purchase Price for each unit of Equipment shall be payable by Buyer commencing on October 1, 1981 and continuing for sixty (60) consecutive equal quarterly installments of principal and interest due the 15th day of the second month of such calendar quarter.

8.3. The amount of each quarterly installment commencing on October 1, 1981 and thereafter for each unit of Equipment will be a dollar amount bearing the same ratio to the quarterly payment figures set forth in Exhibit B as the allocated purchase price of such Equipment bears to \$100,000.

8.4. Buyer shall pay Seller interest only in the amount of \$75.00 per month per each unit of Equipment placed under Individual Sales Record(s) during the Interim Period. Such interest shall be payable in quarterly installments commencing on the Closing Date for any unit of Equipment and due the 15th day of the second month of such calendar quarter.

8.5. Buyer shall bear the risk of loss of any unit of Equipment destroyed, damaged, stolen or lost before the Closing Date. In the event any unit of Equipment is so destroyed, damaged, stolen or lost on or before the Closing Date there shall be no diminution in the aggregate Purchase Price but rather an adjusted allocation of the purchase price will be made over the remaining units of Equipment not yet placed under an ISR. In the event there are no remaining units of Equipment not yet under ISRs for reallocation, there shall be an adjusted allocation of the Purchase Price made over all units of Equipment then under ISRs.

8.6. Buyer will pay on demand, to the extent legally enforceable, interest at the rate of 10% per annum upon all amounts remaining unpaid after the same shall have become due and payable pursuant to the terms hereof, anything herein to the contrary notwithstanding.

8.7. All payments provided for in this Agreement shall be made in such coin or currency of the United States of America as at the time of payment shall be legal tender for the payment of public and private debts.

8.8. In the event the Seller, pursuant to Section 19 assigns the right to receive the payments to be made by the Buyer under this Agreement, the assignee thereof may request the Buyer to make, and the Buyer shall make, such payments to it at the address supplied to the Buyer by such assignee.

Section 9. Taxes.

9.1. All payments to be made by Buyer under this Agreement will be free of expense to the Seller for collection or other charges and will be free of expense to the Seller with respect to the amount of any local, state, federal or foreign taxes (excepting taxes on the net income of the Seller determined substantially in the same manner as net income is presently determined under the Federal Internal Revenue Code) or license fees, assessments, charges, fines or penalties now or hereafter levied or imposed upon or in connection with or measured by this Agreement or any sale, rental, use, payment, shipment, delivery or transfer of title or any interest in the Equipment under the terms of this Agreement (all such expenses, taxes, license fees, assessments, charges, fines and penalties being referred to herein as "Impositions"), all of which Impositions Buyer assumes and agrees to pay on demand in addition to the Purchase Price and all other amounts payable by Buyer under this Agreement. Buyer will also pay promptly all Impositions which may be imposed upon the Equipment or any unit thereof delivered to it or for the use or operation thereof or upon the earnings arising therefrom or upon the Seller solely by reason of its ownership thereof and will keep at all times all and every part of the Equipment free and clear of all Impositions which might in any way affect the title of the Seller or result in a lien upon all or any part of the Equipment, provided that Buyer shall be under no obligation to pay any Impositions of any kind so long as it is contesting in good faith (after written notice to the Seller) and by appropriate legal proceedings such Impositions and the nonpayment thereof does not, in the opinion of the Seller, adversely affect the property or rights of the Seller in or to the Equipment or otherwise under this Agreement.

9.2. If any Impositions shall have been charged or levied against the Seller directly and paid by the Seller, Buyer shall reimburse the Seller upon presentation of

an invoice therefor, and any amounts so paid by the Seller shall be secured by and under this Agreement, provided that the Buyer shall not be obligated to reimburse the Seller for any Imposition so paid unless the Seller shall have been legally liable with respect thereto (as evidenced by an opinion of counsel for the Seller) or unless Buyer shall have approved the payment thereof. All amounts paid by Buyer pursuant to this Section 9 shall be grossed-up, so that the person to whom or for whose benefit the payment is made shall receive an amount which, net of any Impositions or other charges required to be paid by such person in respect thereof, shall be equal to the amount of payment otherwise required under this Agreement.

Section 10. Title To The Equipment.

10.1. The Seller shall and hereby does retain title to and a security interest in the Equipment, until Buyer shall have made all its payments under this Agreement and shall have kept and performed all its agreements herein contained, notwithstanding the delivery of the Equipment to and the possession and use thereof by the Railroad provided in this Agreement. Any and all additions, modifications or improvements to the Equipment and any and all replacements of the Equipment and of parts thereof and additions, modifications or improvements thereto shall constitute acccessions to the Equipment and shall be subject to all the terms and conditions of this Agreement and included in the term "Equipment" as used in this Agreement.

10.2. Except as otherwise specifically provided in Section 12.1, when and only when the Termination Payment for the Equipment, together with interest and all other payments as herein provided, shall have been paid, and all Buyer's obligations herein contained shall have been performed by Buyer, absolute right to the possession of, title to and property in the Equipment shall pass to and vest in Buyer without further transfer or action on the part of the Seller. However, the Seller, if so requested by Buyer at that time, will (a) execute a bill or bills of sale for the Equipment transferring its title thereto and property therein to Buyer, or upon its order, free of all liens created or retained hereby and deliver such bill or bills of sale to Buyer at its address referred to in Section 1, (b) execute and deliver at the same place, for filing, recording or depositing in all necessary public offices, such instrument or instruments in writing as may be necessary or appropriate in order then to make clear upon the public records the title of Buyer to the Equipment and (c) pay to Buyer any money paid to the Seller pursuant to Section 12 and not theretofore applied as provided in such section. Buyer

hereby waives and releases any and all rights, existing or that may be acquired, in or to the payment of any penalty, forfeit or damages for failure to execute and deliver such bill or bills of sale or instrument or instruments or to file any certificate of payment in compliance with any law or statute requiring the filing of same, except for failure to execute and deliver such bill or bills of sale or instrument or instruments or to file such certificate within a reasonable time after written demand by Buyer.

10.3. No invoice issued prior to the complete performance of this Agreement shall pass title to the Equipment, except for any sale contemplated by Section 19.

Section 11. Marking of the Equipment.

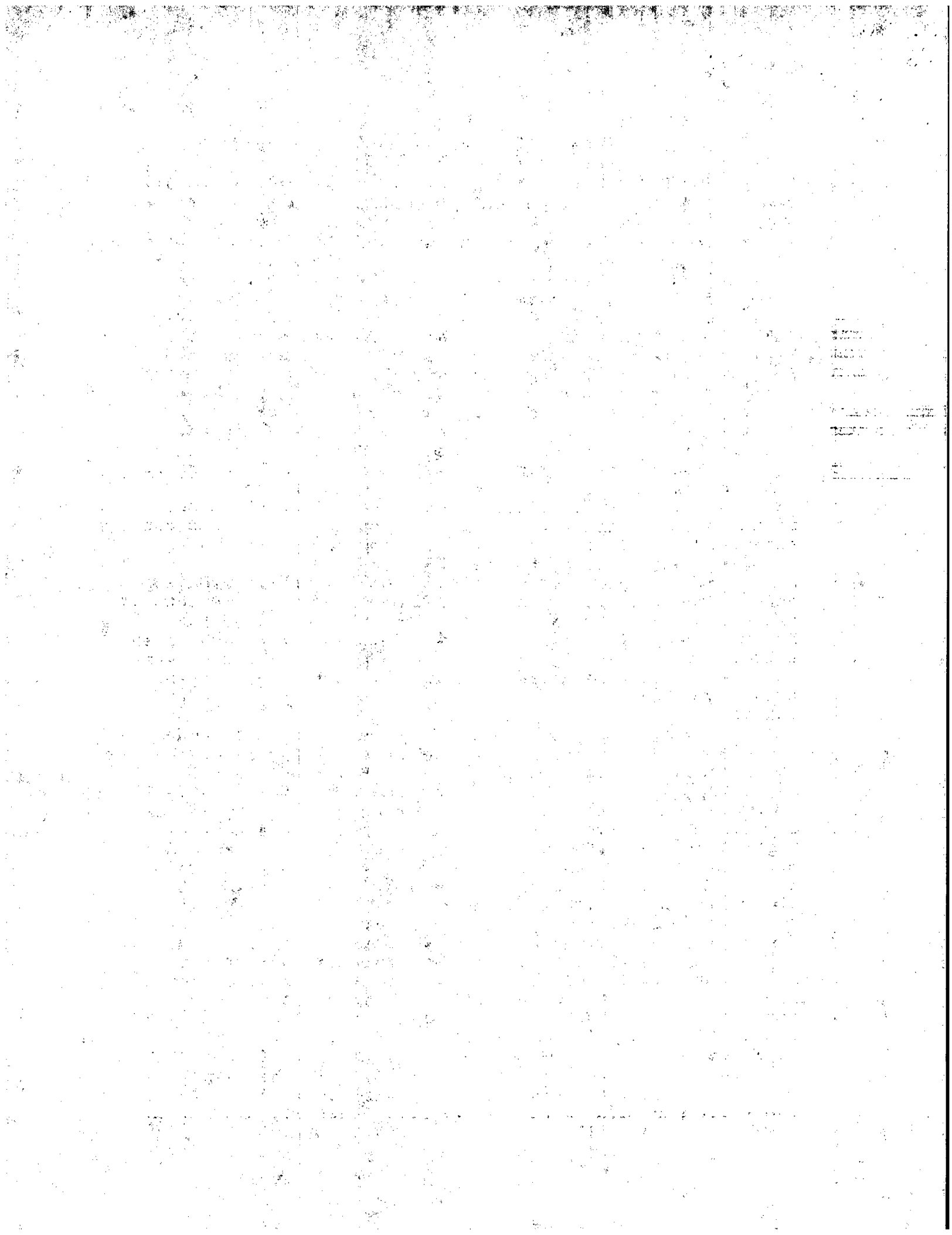
11.1. Buyer and Railroad will cause each unit of the Equipment to be kept numbered with its identifying number as set forth in Exhibit A, or in the case of Equipment not there listed such identifying number as shall be set forth in any amendment or supplement hereto extending this Agreement to cover such Equipment, and will keep and maintain, plainly, distinctly, permanently and conspicuously marked on each side of each unit, in letters not less than one inch in height, the words "Property of The Commonwealth Plan, Inc., Owner" or other appropriate markings approved by Seller, with appropriate changes thereof and additions thereto as from time to time may be required by law in order to protect Seller's title to and property in the Equipment and its rights under this Agreement. Buyer or Railroad will not place any such unit in operation or exercise any control or dominion over the same until such markings have been made thereon and will replace promptly any such markings which may be removed, defaced or destroyed. Buyer or Railroad will not change the number of any unit of the Equipment except in accordance with a statement of new number or numbers to be substituted therefor, which statement previously shall have been filed with Seller by Buyer or Railroad and filed, recorded and deposited by Buyer or Railroad in all public offices where this Agreement and any financing statement in respect thereof, shall have been filed, recorded and deposited.

11.2. Except as provided in subsection 11.1, Buyer will not allow the name of any person, association or corporation to be placed on any unit of the Equipment as a designation that might be interpreted as a claim of ownership; provided, however, that Railroad may cause the Equipment to be lettered with the names or initials or other insignia of the Railroad or its affiliates.

Section 12. Casualty; Replacement; Insurance.

12.1. Buyer shall bear all risks of damage, loss, theft or destruction, partial or complete, with respect to each unit of Equipment. In the event of loss or destruction of or irreparable damage to any unit of the Equipment from any cause whatsoever until the total purchase price herein provided shall have been fully paid by Buyer, Buyer shall promptly and fully inform Seller in regard to such loss or destruction. Buyer shall at its election promptly pay to Seller the Termination Payment applicable to such unit of Equipment or shall replace each such unit of Equipment at its own cost with Equipment of similar type and of substantially as good material and construction as that lost or destroyed and having a cost or fair value (whichever is less) at least equal to the fair value of the Equipment replaced at the time of replacement. Buyer will cause such Equipment to be marked as provided in Section 11 and to be numbered with the same number as the Equipment so replaced. Any and all such replacements of Equipment and all and any parts shall constitute accessions to the Equipment and shall be subject to all of the terms and conditions of this Agreement as though part of the original Equipment delivered hereunder and included in the word "Equipment" as used in this Agreement. Title to all such replacement Equipment shall be free and clear of all liens and encumbrances and shall be taken initially and shall remain in the name of the Seller (or, if this Agreement shall have been assigned, in the name of the assignee or assignees, as the case may be), subject to the provisions hereof.

12.2. Buyer will at all times and at its own expense or the expense of Railroad keep the Equipment insured (with loss payable to Seller or Buyer as their interests may appear) in a company or companies through Lloyds of London, or in a company or companies approved by Seller against loss, damage, or destruction thereof due to fire, lightning, wreck, derailment, collision, and with extended coverage for such other risks as are customarily insured against by Class I railroad companies in sums and by policies adequate at all times to protect the interests of Seller and Buyer. Such policy or policies shall provide coverage for an aggregate amount of not less than \$4,000,000 per occurrence with deductible provisions to no greater extent than are usual and customary with railroad companies in the aggregate for any single occurrence. Any moneys paid under any such insurance policy shall be applied to the then unpaid balance applicable to the Equipment with respect to which the moneys are so paid or shall be applied toward the replacement or repair of such Equipment. In the event that the moneys are to be applied to such replacement or repair,



they shall be retained by the Seller until replacement or repair of the Equipment lost, destroyed or damaged, but upon proof satisfactory to Seller of such replacement or repair and if Buyer is not then in default in any of the obligations hereunder, Seller shall pay over such money to Buyer. In the event that such casualty occurs under Section 12.1 and Seller is paid the Termination Payment for such unit(s) of Equipment, any and all insurance payments shall thereafter be paid directly to Buyer. Any moneys receivable by or payable to Buyer from any railroad or other person or corporation because of loss or destruction or damage to Equipment shall be paid over to Seller to be held and applied by it as aforesaid.

12.3. Buyer will furnish to Seller a certificate of insurance in form and substance satisfactory to Seller.

Section 13. Maintenance; Compliance With Laws and Rules.

13.1. Buyer and/or Railroad will at all times maintain the Equipment in good order and repair at its own expense.

13.2. During the term of this Agreement, Buyer and/or Railroad will comply in all respects with all laws of the jurisdictions in which its operations involving the Equipment may extend, with the interchange rules of the Association of American Railroads and with all lawful rules of the Department of Transportation, Interstate Commerce Commission and any other legislative, executive, administrative or judicial body exercising any power or jurisdiction over the Equipment, to the extent that such laws and rules affect the title, operation or use of the Equipment and in the event that such laws or rules require any alteration, replacement or addition of any part on any unit of the Equipment, Buyer and/or Railroad will conform therewith at its (their) own expense, provided that Buyer and/or Railroad may, in good faith and after giving written notice to the Seller, contest the validity or application of any such law or rule in any reasonable manner which does not, in the opinion of the Seller, adversely affect the Equipment or rights of the Seller under this Agreement.

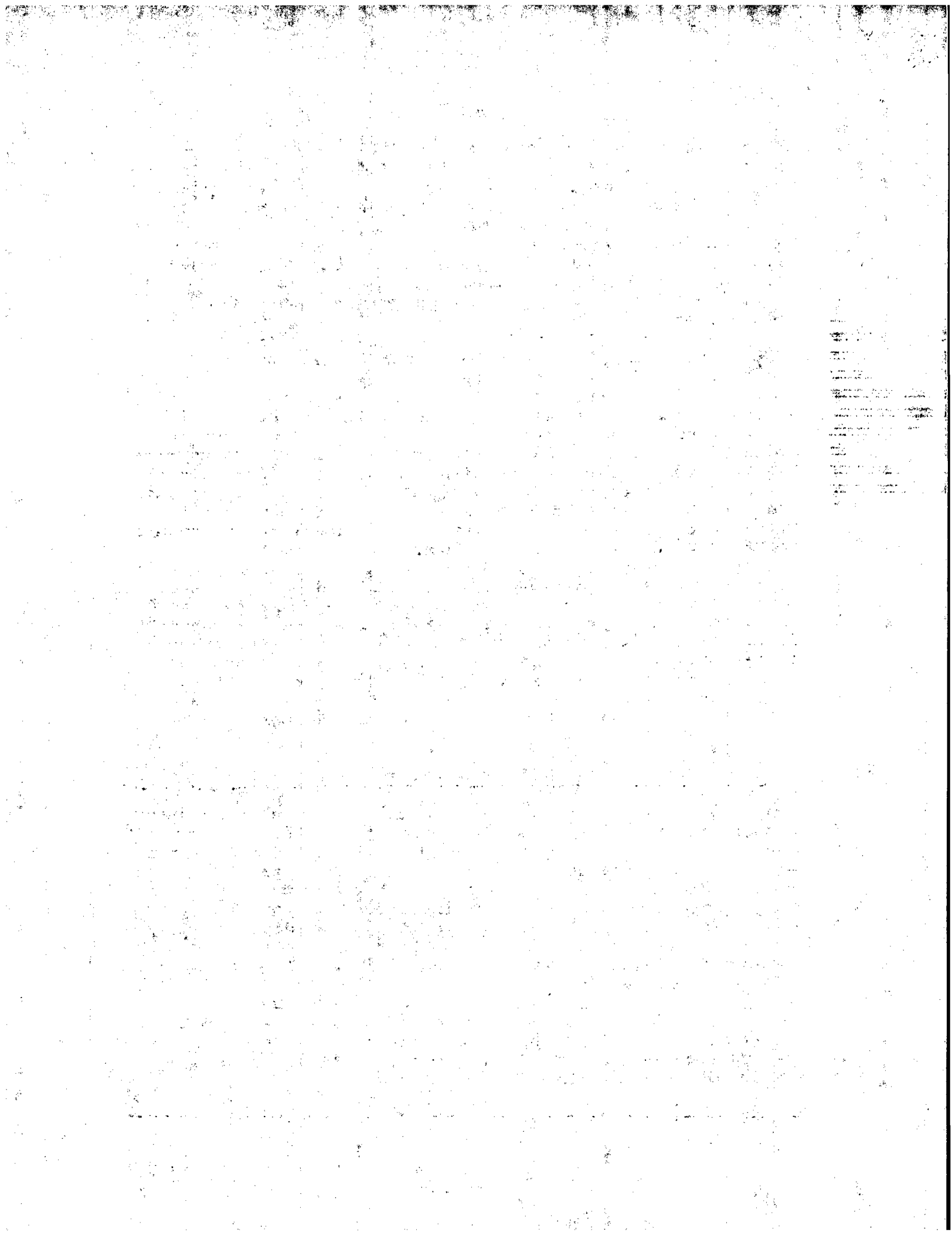
Section 14. Reports and Inspections. On or before March 31 in each year, commencing with the calendar year 1981, Buyer or Railroad shall furnish to Seller an accurate statement signed by an officer of Buyer or Railroad (a) setting forth as of the preceding December 31 the amount, description and numbers of all units of the Equipment that have suffered a casualty occurrence during the preceding 12 months (or since the date of this Agreement in the case of the first such statement) or that have been withdrawn from use pending repairs (other than running repairs), and such

other information regarding the condition and state of repair of the Equipment as the Seller may reasonably request and (b) stating that, in the case of all Equipment repaired, modified or repainted during the period covered by such statement, the numbers and markings required by Section 11.1 have been preserved or replaced. The Seller shall have the right, by its agents, to inspect the Equipment and Buyer and Railroad's records with respect thereto at such reasonable times as the Seller may request during the continuance of this Agreement.

Section 15. Possession and Use. Buyer, so long as an event of default shall not have occurred under this Agreement and be continuing, shall be entitled to the possession of the Equipment and Buyer or Railroad shall have the full right of use thereof upon the lines of railroad owned or operated by Railroad either alone or jointly with others and whether under lease or otherwise, or upon the lines of railroad owned or operated by any affiliate of Railroad, or over which Railroad has trackage rights, or upon the lines of connecting and other carriers in the usual interchange of traffic or pursuant to run-through agreements, from and after the Closing Date, but only upon and subject to all the terms and conditions of this Agreement, and Buyer or Railroad may receive compensation for such use; provided, however, that Buyer and Railroad agree not to use, assign or permit the assignment of any unit of the Equipment to service involving the regular operation and maintenance thereof outside the United States of America and agrees that any use of any unit of the Equipment outside the United States of America will be limited to incidental and temporary use in Canada or Mexico.

Section 16. Prohibition Against Liens.

16.1. Buyer and/or Railroad will pay or discharge any and all sums claimed by any party from, through or under Buyer or its successors or assigns which, if unpaid, might become a lien, charge or security interest on the Equipment, or any unit or part thereof, equal or superior to Seller's title thereto or property therein; provided, however, that Buyer shall be under no obligation to pay or discharge any such claim so long as it is contesting in good faith and by appropriate legal proceedings such claim and the nonpayment thereof does not, in the opinion of Seller, adversely affect the property or rights of Seller in or to the Equipment or such unit or part thereof or otherwise under this Agreement. Any amounts paid by Seller in discharge of liens, charges or security interests upon the Equipment shall be secured by and under this Agreement.



16.2. The covenant in Section 16.1 to discharge liens will not be deemed breached by reason of liens for taxes, assessments or governmental charges or levies, in each case not due and delinquent, or undetermined or inchoate materialmen's, mechanics', workmen's, repairmen's or other like liens arising in the ordinary course of business and, in each case, not delinquent.

Section 17. Indemnities. Buyer and Railroad agree to indemnify, protect and hold harmless Seller from and against all losses, damages, injuries, liabilities, claims and demands whatsoever, regardless of the cause thereof, and expenses in connection therewith, including reasonable counsel fees, arising out of retention by Seller of title to the Equipment, the use and operation thereof by Buyer and/or Railroad during the period when title thereto remains in Seller or the transfer of title to the Equipment by Seller pursuant to any of the provisions of this Agreement. This covenant of indemnity shall continue in full force and effect notwithstanding the full payment of all sums due under this Agreement, or the satisfaction, discharge or termination of this Agreement in any manner whatsoever.

Section 18. Disclaimer of Warranties.

18.1. Buyer and Railroad acknowledge that Seller is not a manufacturer nor a dealer in property of such kind as the Equipment.

18.2. Buyer and Railroad have fully inspected the Equipment, and acknowledge that the Equipment is in good order and condition and is suitable for their purposes.

18.3. Each unit of Equipment is sold hereunder on an AS-IS, WHERE-IS BASIS, WITHOUT WARRANTY OR REPRESENTATION EITHER EXPRESS OR IMPLIED, as to (a) THE FITNESS OR MERCHANTABILITY OF THE EQUIPMENT (b) SELLER'S TITLE THERETO or (c) ANY OTHER MATTER WHATSOEVER, IT BEING AGREED THAT ALL SUCH RISKS, AS BETWEEN SELLER AND BUYER AND RAILROAD, ARE TO BE BORNE BY BUYER AND RAILROAD. Seller does warrant, however, that to the best of its knowledge Seller has good title in and to said Equipment and that Seller has not or will not take any action which will adversely affect Seller's title to the Equipment.

Section 19. Assignments.

19.1. Buyer will not sell, assign, transfer, lease or otherwise dispose of its rights under this Agreement or, except as provided in Sections 4.4, 12.1, 12.2 and 19.2 hereof, transfer the right to possession of any unit of the Equipment without first obtaining the written consent of the Seller.

19.2. In the event of a sale of any unit(s) of Equipment by Buyer, Buyer shall cause an amount equal to the Termination Payment(s) for the unit(s) of Equipment in question to be transmitted promptly to Seller on or before the closing date of such sale. This Agreement and the Buyer's obligation to make quarterly payments for such unit(s) of Equipment shall continue until the Termination Payment is received by Seller, or Seller's assignee, and shall thereupon terminate, and Seller shall provide Buyer with a bill of sale covering such unit(s).

19.3. All or any of the rights, benefits and advantages of Seller under this Agreement, including the right to receive the payments herein provided to be made by Buyer, may be assigned by Seller and reassigned by any assignee at any time or from time to time.

Upon any such assignment either the assignor or the assignee shall give written notice to Seller, together with a counterpart or copy of such assignment, stating the identity and post office address of the assignee, and such assignee shall by virtue of such assignment acquire all the assignor's right, title and interest in and to the Equipment and this Agreement, or in and to a portion thereof, as the case may be, subject only to such reservations as may be contained in such assignment. From and after the receipt by Buyer of the notification of any such assignment, all payments thereafter to be made by Buyer under this Agreement shall, to the extent so assigned, be made to the assignee in such manner as it may direct.

Section 20. Events of Default.

20.1. If any one or more of the following events or conditions ("Events of Default") shall occur and be continuing:

(a) Buyer shall fail to pay in full any indebtedness in respect of the Purchase Price of the Equipment or any other sum payable by Buyer as provided in this Agreement within five (5) days after payment thereof shall be due hereunder; or

(b) Buyer or Railroad shall, for more than thirty (30) days after Seller shall have demanded in writing performance thereof, fail or refuse to comply with any other covenant, agreement, term or provision of this Agreement, the Master Leasing Agreement or of any agreement entered into concurrently herewith relating to the financing of the Equipment on its part to be kept and performed or to make provision satisfactory to the Seller for such compliance; or

(c) Buyer or Railroad shall (i) be generally not paying its debts as they become due, (ii) file, or consent by answer or otherwise to the filing against it of, a petition for relief or reorganization or arrangement or any other petition in bankruptcy, for liquidation or to take advantage of any bankruptcy or insolvency law of any jurisdiction, (iii) make an assignment for the benefit of its creditors, (iv) consent to the appointment of a custodian, receiver, trustee or other officer with similar powers of itself or of any substantial part of its property, (v) be adjudicated a bankrupt or insolvent, or (vi) take corporate action for the purpose of any of the foregoing; or

(d) a court or governmental authority of competent jurisdiction shall enter an order, appointing, without consent by Buyer or Railroad, a custodian, receiver, trustee or other officer with similar powers with respect to Buyer or Railroad or with respect to any substantial part of their property, or constituting an order for relief or approving a petition for relief or reorganization or any other petition in bankruptcy or for liquidation or to take advantage of any bankruptcy or insolvency law of any jurisdiction, or ordering the dissolution, winding-up or liquidation of Buyer or Railroad, or if any such petition shall be filed against Buyer or Railroad and such petition shall not be dismissed within 30 days; or

(e) Buyer or Railroad shall make or suffer any unauthorized assignment or transfer of this Agreement or any interest herein or any unauthorized transfer of the right to possession of any unit of the Equipment, or shall permit any lien to arise with respect to any unit of the Equipment in contravention of the provisions of Section 19; or

(f) any covenant, representation or warranty made by Buyer or Railroad under this Agreement or under any agreement entered into concurrently herewith relating to the financing of the Equipment or by any officer or representative of Buyer in any document or certificate furnished to the Seller in connection herewith or therewith or pursuant hereto or thereto, shall prove at any time to have been incorrect in any material respect as of the date made;

then at any time after the occurrence of an Event of Default the Seller may, upon written notice to Buyer and Railroad and upon compliance with any mandatory legal requirements then in force and applicable to such action by the Seller

declare (hereinafter called a "Declaration of Default") the entire indebtedness in respect of the Purchase Price of the Equipment, together with the interest thereon then accrued and unpaid, immediately due and payable, without further demand, and thereafter the aggregate of the unpaid balance of such indebtedness and interest shall bear interest from the date of such Declaration of Default at the rate per annum specified in Section 8.5 as being applicable to amounts remaining unpaid after becoming due and payable, to the extent legally enforceable. The Seller shall thereupon be entitled to recover judgment for the entire unpaid balance of the indebtedness in respect of the Purchase Price of the Equipment so payable, with interest as aforesaid, and to collect such judgment out of any property of Buyer wherever situated. Buyer shall promptly notify the Seller of any event which has come to its attention which constitutes a potential Event of Default or an Event of Default.

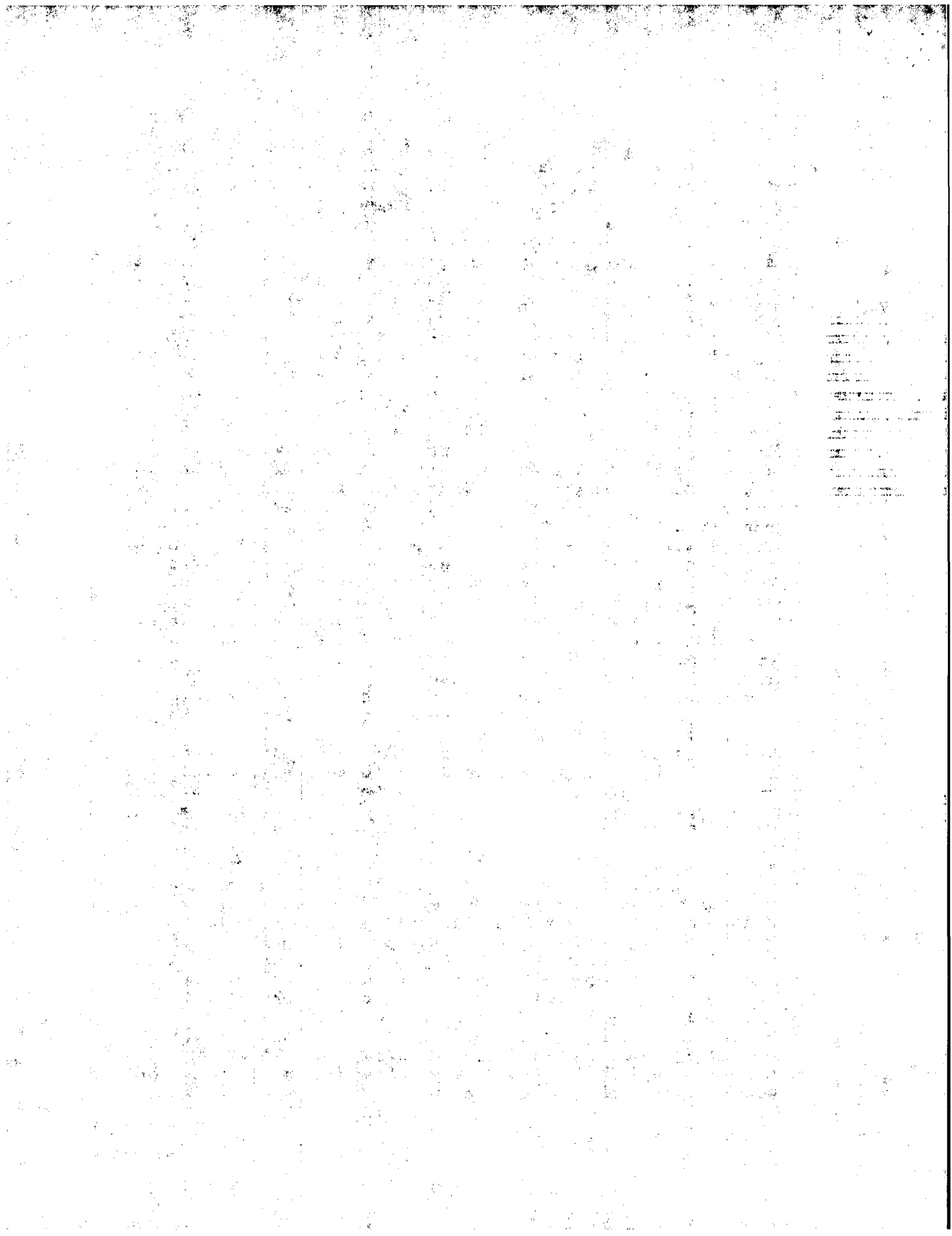
20.2. Seller may, at its election, waive any Event of Default and its consequences and rescind and annul any Declaration of Default by notice to Buyer in writing to that effect, and thereupon the respective rights of the parties shall be as they would have been if such Event of Default had not occurred and no Declaration of Default had been made. Notwithstanding the provisions of this paragraph, it is expressly understood and agreed by the Buyer that time is of the essence of this Agreement and that no such waiver, rescission or annulment shall extend to or affect any other or subsequent default or impair any rights or remedies consequent thereon.

Section 21. Remedies.

21.1. At any time during the continuance of a Declaration of Default, the Seller may, upon such further notice and action, if any, as may be required for compliance with any mandatory legal requirements then in force and applicable to the action to be taken by the Seller, take or cause to be taken, by its agent or agents, immediate possession of the Equipment, of one or more of the units thereof, without liability to return to Buyer any sums theretofore paid and free from all claims whatsoever, except as herein-after in this Section 21 expressly provided, and may remove the same from possession and use of Buyer or Railroad or any other person and for such purpose may enter upon the premises of Buyer or Railroad or any other premises where the Equipment may be located and may use and employ in connection with such removal any supplies, services and aids and any available trackage and other facilities or means of Buyer or Railroad.

21.2. In case the Seller shall demand possession of the Equipment pursuant to this Agreement and shall designate a reasonable point or points upon the premises of Buyer or Railroad for the delivery of the Equipment to Seller, Buyer or Railroad shall, at its own expense and risk forthwith and in the usual manner (including, but not by way of limitation, causing prompt telegraphic and written notice to be given to the Association of American Railroads and all railroads to which any unit or units of the Equipment have been interchanged to return the unit or units so interchanged) cause (a) the Equipment to be moved to such point or points on its lines as shall be designated by the Seller and shall there deliver the Equipment or cause it to be delivered to the Seller and (b) the Equipment to be moved to such interchange point or points of Buyer or the Railroad as shall be designated by the Seller upon any sale, lease or other disposal of all or any part of the Equipment by the Seller. At the option of the Seller, the Seller may keep the Equipment on any of the lines or premises of Buyer or the Railroad until the Seller shall have leased, sold or otherwise disposed of the same, and for such purpose Buyer or the Railroad agree to furnish, without charge for rent or storage, the necessary facilities at any point or points selected by the Seller reasonably convenient to Buyer or the Railroad for a period of time not to exceed ninety (90) days and, at Buyer's or Railroad's risk, to permit inspection of the Equipment by the Seller, the Seller's representatives and prospective purchasers and users. This agreement to deliver the Equipment and furnish facilities as hereinbefore provided is of the essence of the agreement between the parties, and, upon application to any court of equity having jurisdiction in the premises, the Seller shall be entitled to a decree against Buyer and/or Railroad requiring specific performance hereof. Buyer and Railroad hereby expressly waive any and all claims against the Seller and its agent or agents for damages of whatever nature in connection with any retaking of any unit of the Equipment in any reasonable manner.

21.3. At any time during the continuance of a Declaration of Default, the Seller (after retaking possession of the Equipment as hereinbefore in this Section 21 provided) may, at its election and upon such notice as is hereinafter set forth, retain the Equipment in satisfaction of the entire indebtedness in respect of the Purchase Price of the Equipment and make such disposition thereof as the Seller shall deem fit. Written notice of the Seller's election to retain the Equipment shall be given to Buyer and Railroad by telegram or registered mail, addressed as provided in Section 1, and to any other persons to whom the law may require notice, within 30 days after such Declara-



tion of Default. In the event that the Seller should elect to retain the Equipment and no objection is made thereto within the 30-day period described in the further proviso below, all of Buyer's and the Railroad's rights in the Equipment shall thereupon terminate and all payments made by Buyer or the Railroad may be retained by the Seller as compensation for the use of the Equipment, provided that if the Buyer, before the expiration of the 30-day period described in the further proviso below, should pay or cause to be paid to the Seller the total unpaid balance of the indebtedness in respect of the Purchase Price of the Equipment, together with interest thereon accrued and unpaid and all other payments due under this Agreement as well as expenses of the Seller in retaking possession of, removing and storing the Equipment and the Seller's reasonable attorneys' fees and legal expenses, then in such event absolute right to the possession of, title to and property in the Equipment shall pass to and vest in Buyer, provided further that if Buyer or any other persons notified under the terms of this Section 21.3 objects in writing to the Seller within thirty (30) days from the receipt of notice of the Seller's election to retain the Equipment, then the Seller may not so retain the Equipment, but shall sell, lease or otherwise dispose of it or continue to hold it pending sale, lease or other disposition as hereinafter provided or as may otherwise be permitted by law. If the Seller shall have given no notice of intention to retain as hereinabove provided or notice of intention to dispose of the Equipment in any other manner, it shall be deemed to have elected to sell the Equipment in accordance with the provisions of this Section 21.

21.4. At any time during the continuance of a Declaration of Default, the Seller, with or without retaking possession of any Equipment, at its election and upon reasonable notice to Buyer and any other persons to whom the law may require notice of the time and place, may sell the Equipment, or one or more of the units thereof, free from any and all claims of Buyer or the Railroad or any other party claiming from, through or under Buyer at law or in equity, at public or private sale and with or without advertisement as the Seller may determine, provided that if, prior to such sale and prior to the making of a contract for such sale, Buyer should tender full payment of the total unpaid indebtedness in respect of the purchase price of the Equipment, together with interest thereon accrued and unpaid and all other payments due under this Agreement as well as expenses of the Seller in retaking possession of, removing, storing, holding and preparing the Equipment for, and otherwise arranging for, the sale and the Seller's reasonable attorneys' fees and legal expenses, then in such event

absolute right to the possession of, title to and property in the Equipment shall pass to and vest in Buyer. The proceeds of such sale or other disposition shall be applied as set forth in Section 21.7.

21.5. Any sale hereunder may be held or conducted at such place or places and at such time or times as the Seller may specify, in one lot and as an entirety or in separate lots and without the necessity of gathering at the place of sale the property to be sold, and in general in such manner as the Seller may determine. The Seller or Buyer may bid for and become the purchaser of the Equipment, or any unit thereof, so offered for sale. The Buyer and Railroad shall be given written notice of such sale not less than ten (10) days prior thereto by telegram or registered mail, addressed as provided in Section 2. If such sale shall be a private sale (which shall be deemed to mean only a sale where an advertisement for bids has not been published in a newspaper of general circulation or a sale where fewer than 40 offerees have been solicited in writing to submit bids), it shall be subject to the right of Buyer to purchase or provide a purchaser, within ten (10) days after notice of the proposed sale price, at the same price offered by the intending purchaser or a better price. In the event that the Seller shall be the purchaser thereof, it shall not be accountable to Buyer (except to the extent of surplus money received as provided in Section 21.1) and in payment of the Purchase Price therefor the Seller shall be entitled to have credited on account thereof all sums due to the Seller under this Agreement. From and after the date of any such sale, Buyer and Railroad shall pay to the Seller the per diem interchange for each unit of Equipment which shall not have been assembled, as hereinabove provided, by the date of such sale for each day from the date of such sale to the date of delivery to the purchaser at such sale.

21.6. Each and every power and remedy hereby specifically given to the Seller shall be in addition to every other power and remedy hereby specifically given to the Seller or now or hereafter existing at law or in equity, and each and every power and remedy may be exercised from time to time and simultaneously and as often and in such order as may be deemed expedient by the Seller. All such powers and remedies shall be cumulative and the exercise of one shall not be deemed a waiver of the right to exercise any other or others. No delay or omission of the Seller in the exercise of any such power or remedy and no renewal or extension of any payments due under this Agreement shall impair any such power or remedy or shall be construed to be a waiver of any default or an acquiescence therein. Any extension of time for payment under this Agreement or other

indulgence duly granted to Buyer shall not otherwise alter or affect the Seller's rights or Buyer's obligations under this Agreement. The Seller's acceptance of any payment after it shall have become due under this Agreement shall not be deemed to alter or affect Buyer's obligations or the Seller's rights under this Agreement with respect to any subsequent payments or defaults.

21.7. All sums of money realized by the Seller under the remedies provided in this Section 21 or which are otherwise held by the Seller during the continuance of a Declaration of Default shall be applied as follows:

first, to the payment of any reasonable costs and expenses of the Seller in its retaking possession of, removing, storing, holding and preparing the Equipment for, and otherwise arranging for, the sale of the Equipment and the Seller's reasonable attorneys' fees and legal expenses, and any taxes, assessments or charges on the Equipment prior to the Seller's title which the Seller may consider necessary or desirable to pay;

second, to the payment of the aggregate unpaid principal amount of the Purchase Price then due and payable, plus the accrued but unpaid interest due thereon to the date of distribution (including interest on overdue principal and interest to the extent permitted under applicable law at the rate of 10.00% per annum), and in case such moneys shall be insufficient to pay in full all such amounts at any time due and payable, then, first, to the payment of all amounts of interest at the time due and payable and, second, to the payment of all unpaid principal amounts of the Purchase Price at the time due and payable; and

third, to the payment of any other indebtedness owing to the Seller and secured by this Agreement and at the time due and payable.

If, after applying all sums of money realized by the Seller under the remedies provided in this Section 21, there shall remain any amount due to it under the provisions of this Agreement, Buyer shall pay the amount of such deficiency to the Seller upon demand, together with interest from the date of such demand to the date of payment, at the rate per annum specified in Section 8.5 as being applicable to amounts remaining unpaid after becoming due and payable. If, after applying as aforesaid all sums realized by the Seller, there shall remain a surplus in the possession of the Seller, such surplus shall be paid to Buyer.

21.8. Buyer will pay all reasonable expenses, including attorneys' fees and legal expenses, incurred by the Seller in connection with the Seller's enforcing its remedies under the terms of this Agreement. In the event that the Seller shall bring any suit to enforce any of its rights hereunder and shall be entitled to judgment, then in such suit the Seller may recover reasonable expenses, including reasonable attorneys' fees and legal expenses, and the amount thereof shall be included in such judgment.

21.9. The foregoing provisions of this Section 21 are subject in all respects to all mandatory legal requirements at the time in force and applicable thereto.

Section 22. Applicable State Laws; Waivers.

22.1. Any provision of this Agreement prohibited by any applicable law of any jurisdiction shall as to such jurisdiction be ineffective, without modifying the remaining provisions of this Agreement, provided that, if the conflicting provisions of any such applicable law may be waived, they are hereby waived by Buyer to the full extent permitted by law, it being the intention of the parties hereto that this Agreement shall be deemed to be a conditional sale and enforced as such.

22.2. Except as otherwise provided in this Agreement, Buyer, to the full extent permitted by law, hereby waives all statutory or other legal requirements for any notice of any kind, notice of intention to take possession of or to sell or lease the Equipment, or any one or more units thereof, and any other requirements as to the time, place and terms of the sale or lease thereof, any other requirements with respect to the enforcement of the Seller's rights under this Agreement and any and all rights of redemption.

Section 23. Recording; Further Assurances.

23.1. Buyer will cause this Agreement, any assignments hereof and any amendments or supplements hereto or thereto to be filed with the Interstate Commerce Commission pursuant to 49 U.S.C. §11303; and Buyer will from time to time do and perform any other act and will execute, acknowledge, deliver, file, register, deposit and record any and all further instruments required by law or reasonably requested by the Seller for the purpose of proper protection, to the satisfaction of counsel for the Seller, of its interest in the Equipment (including any Replacement Unit) and its rights under this Agreement or for the purpose of

carrying out the intention of this Agreement. Buyer will promptly furnish to the Seller certificates or other evidence satisfactory to the Seller of such filing, registering, depositing and recording.

23.2. Upon the request of Seller Buyer will furnish to the Seller, not more than three months after the anniversary in each year, commencing with the year 1981, of the first filing, registering or recording of this Agreement, an opinion of counsel satisfactory to the Seller stating that, in the opinion of such counsel, either (i) such action has been taken with respect to the filing or recording or the refiling or rerecording of this Agreement and each supplement and amendment hereto and each assignment hereof and each other instrument as is necessary for the proper perfection and protection in the United States of the Seller's interest in the Equipment and its rights under this Agreement and reciting the details of such action, or (ii) no such action is necessary for any of such purposes.

Section 24. Railroad's Covenants, Representations and Warranties. To induce Seller to enter into this Agreement, Railroad covenants, represents and warrants as follows:

24.1. Railroad hereby waives all rights to extend the terms of the Leases or the right to exercise options to purchase the Equipment pursuant to Paragraph 11 of the Leases.

24.2. Railroad acknowledges and agrees that all of Railroad's right, title and interest to the Equipment is derived solely from and through Buyer pursuant to the Master Leasing Agreement referred to in Section 4.4. Railroad further acknowledges and agrees that in the event this Agreement is terminated for any reason, Railroad's right, title and interest in and to the Equipment shall automatically terminate.

24.3. Railroad acknowledges delivery and possession of the Equipment pursuant to the Master Leasing Agreement referred to in Section 4.4 and that such Equipment is acceptable to Railroad in all details.

24.4. Railroad agrees that it will faithfully perform all covenants contained in this Agreement specifically referring to Railroad's obligations hereunder, including but not limited to those covenants identified in the following Sections:

- 4. Recitals.
- 11. Marking of the Equipment.
- 13. Maintenance; Compliance with Laws and Rules.
- 14. Reports and Inspection.
- 15. Possession and Use.
- 16. Prohibition Against Liens.
- 17. Indemnities.
- 18. Disclaimer of Warranties.
- 20. Events of Default.
- 21. Remedies.

Section 25. Miscellaneous.

25.1. Severability. Any provision of this Agreement that is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions of this Agreement and any such prohibition or unenforceability in any jurisdiction shall not of itself invalidate or render unenforceable such provision in any other jurisdiction.

25.2. Waivers; Modifications. This Agreement, including the Exhibits hereto, exclusively states the rights of the Seller and Buyer with respect to the Equipment and supersedes all other agreements, oral and written, with respect to the Equipment. No variation or modification of this Agreement and no waiver of any of its provisions or conditions shall be valid unless in writing and signed by duly authorized officers of the Seller and Buyer.

25.3. Binding Effect; Successors and Assigns. The terms and provisions of this Agreement and the respective rights and obligations of the parties hereunder shall be binding upon, and inure to the benefit of, their respective successors and (to the extent assignments are permitted by this Agreement) assigns.

25.4. Captions; References. The captions in this Agreement and in the table of contents are for convenience of reference only and shall not define or limit any of the terms or provisions hereof. References herein to sections without reference to the document in which they are contained are references to this Agreement.

25.5. Governing Law. The terms of this Agreement and all rights and obligations hereunder shall be governed by the laws of the State of California, provided that the parties shall be entitled to all rights conferred by 49 U.S.C. §11303 and such additional rights arising out of the filing, recording or deposit hereof, if any, and of any

assignment hereof as shall be conferred by the laws of the several jurisdictions in which this Agreement or any assignment hereof shall be filed, recorded or deposited, or in which any unit of the Equipment shall be located and any rights arising out of the markings of the units of Equipment provided for in Section 11.

25.6. Costs. Buyer will pay all reasonable costs and expenses (other than the fees and expenses of counsel) for Seller incident to this Agreement.

25.7. Execution; Original Counterpart. This Agreement may be executed in any number of counterparts, each of which so executed shall be deemed to be an original, and such counterparts together shall constitute but one and the same contract, which shall be sufficiently evidenced by any such original counterpart. Although this Agreement is dated, for convenience, as of the date first set forth above, the actual date or dates of execution hereof by the parties hereto is or are, respectively, the date or dates stated in the acknowledgements hereto annexed. To the extent, if any, this Agreement constitutes chattel paper (as such term is defined in the Uniform Commercial Code as in effect in any applicable jurisdiction), no security interest in this Agreement may be created through the transfer or possession of any counterpart other than the original counterpart, which shall be identified as the counterpart containing the receipt therefor executed by the secured party on or immediately following the signature page hereof.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed by their respective officers thereunto duly authorized as of the day and year first above written.

[Corporate Seal]

Attest:

Robert A. Fulk
Assistant Secretary

SELLER:

The Commonwealth Plan, Inc.

By

Bernard Goodman
President Form Approved
Paul
Counsel

[Corporate Seal]

Attest:

[Signature]
Assistant Secretary

BUYER:

Southwestern States Management Co.

By

H. J. Brandt
Vice President

[Corporate Seal]

Attest:

A. M. Allen
Assistant Secretary

RAILROAD:

Missouri-Kansas-Texas
Railroad Company

By

James H. McFarland
Vice President

STATE OF CALIFORNIA)
COUNTY OF SAN MATEO) SS:

On this 27th day of January, 1981, before me personally appeared Bernard Goldman, to me personally known, who, being by me duly sworn, says that he is President of The Commonwealth Plan, Inc., that one of the seals affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Janeen B. Nelson
Notary Public

My Commission Expires: January 31, 1981

THE STATE OF TEXAS

On this 16th day of January, 1981, before me personally appeared H. O. Brandt, to me personally known, who, being by me duly sworn, says that he is Vice President of Southwestern States Management Co., that one of the seals affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Fannie Garrett-Meador
Fannie Garrett-Meador, Notary Public
in and for the State of Texas.
My Commission Expires: Dec. 10, 1981

THE STATE OF TEXAS

On this 16th day of January, 1981, before me personally appeared Karl R. Ziebarth, to me personally known, who, being by me duly sworn, said that he is Vice President of Missouri-Kansas-Texas Railroad Company, that the seal affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Ruth Murdock
Ruth Murdock, Notary Public in and
for the State of Texas
My Commission Expires: 12-31-84

EXHIBIT A EQUIPMENT

DESCRIPTION OF EQUIPMENT	NUMBER OF UNITS	IDENTIFICATION NUMBERS	CLOSING DATE	ALLOCATED PURCHASE PRICE PER UNIT	AGGREGATE PURCHASE PRICE
70 ton covered hopper cars, approximately 3600 cu. ft. capacity	25	BKTY 1000-1003, 1005-1021, 1023, 1026, 1028, 1029	12/31/81	\$17,000	\$ 425,000
70 ton covered hopper cars, approximately 2600 cu. ft. capacity	74	BKTY 1300, 1302-1374	3/31/81	\$15,000	\$1,110,000
100 ton 60'105" cushion underframe box cars, AAR-XML	2	BKTY 648, 649	3/31/81	\$25,550	\$ 51,100
100 ton covered hopper airslide cars, approxi- mately 4180 cu. ft. capacity, AAR-LO	28	BKTY 1200-1207, 1209-1228	3/31/81	\$23,000	\$ 644,000
70 ton covered hopper airslide cars, 2600 cu. ft. capacity, AAR-LO	4	BKTY 1050-1053	3/31/81	\$19,000	\$ 76,000
100 ton 50'1" insulated cushion underframe box cars/RBL	23	BKTY 75-85, 87-98	3/31/81	\$11,250	\$ 258,750
100 ton covered hopper cars, approximately 4427 cu. ft. capacity	47	BKTY 1100-1120, 1122-1126 1128-1135, 1137-1149	3/31/81	\$16,000	\$ 752,000
	5	BKTY 1150-1154		\$17,000	\$ 85,000

DESCRIPTION OF EQUIPMENT	NUMBER OF UNITS	IDENTIFICATION NUMBERS	CLOSING DATE	ALLOCATED PURCHASE PRICE PER UNIT	AGGREGATE PURCHASE PRICE
70 ton non-insulated box cars, approximately 4500 ct. ft., AAR-XM	129	BKTY 20500-20505, 20507-20515, 20517-20526, 20528-20534, 20536-20552, 20554-20566, 20568-20573, 20575-20586, 20588-20595, 20597-20602, 20604-20609, 20611-20613, 20615-20627, 20629-20641	6/30/81	\$ 8,000	\$1,032,000
100 ton standard coal hopper cars, fixed ends, AAR-HT	88	BKTY 1500-1512, 1515-1533, 1535-1550, 1552-1562, 1564-1565, 1567-1568, 1570-1581, 1583-1585, 1588, 1590-1593, 1595-1599	6/30/81	\$14,000	\$1,232,000
70 ton underframe insulated box cars, with plug doors, AAR-RBL	105	BKTY 20200-20225, 20227-20231, 20233-20259, 20261-20266, 20268-20299, 20300, 20302, 20304-20306, 20308-20311	9/30/81	\$18,000	\$1,890,000

DESCRIPTION OF EQUIPMENT	NUMBER OF UNITS	IDENTIFICATION NUMBERS	CLOSING DATE	ALLOCATED PURCHASE PRICE PER UNIT	AGGREGATE PURCHASE PRICE
AAR-XMI	83	BKTY 20401-20404, 20406, 20408-20428, 20431, 20433-20439, 20442, 20444-20446, 20448-20457, 20459-20469, 20472-20475, 20477, 20479-20490, 20492-20494, 20496-20499	9/30/81	\$11,250	\$ 933,750
AAR-RBL	149	BKTY 20656-20661, 20663, 20665-20667, 20669-20677, 20679, 20680, 20682-20699, 20701-20705, 20707-20709, 20711-20717, 20719-20731, 20733-20744, 20746, 20747, 20749-20751, 20754-20758, 20760-20763, 20765, 20766, 20768-20773, 20775-20786, 20788-20814, 20816-20820, 20822-20825	9/30/81	\$11,500	\$1,713,500

DESCRIPTION OF EQUIPMENT	NUMBER OF UNITS	IDENTIFICATION NUMBERS	CLOSING DATE	ALLOCATED PURCHASE PRICE PER UNIT	AGGREGATE PURCHASE PRICE
70 ton high side gondola cars, fixed ends, AAR-GBSR	48	BKTY 21450-21472, 21474-21493, 21495-21499	9/30/81	\$19,000	\$ 912,000
70 ton non-insulated box cars, approximately 4500 cu. ft., AAR-XL	5	BKTY 20650-20652, 20654-20655	9/30/81	\$14,160	\$ 70,800
TOTAL	815				TOTAL \$11,185,900

INITIALS:

Seller:

Buyer:

Railroad:

Bgr
MDZ
h

EXHIBIT B - PAYMENT SCHEDULE

Quarterly payments and Termination Payment of Equipment
having a Purchase Price of \$100,000.00:

Payment for each full calendar quarter: \$2,458.45

<u>END OF QUARTER</u>	<u>TERMINATION VALUE (Following payment for such quarter)</u>	<u>END OF QUARTER</u>	<u>TERMINATION VALUE (Following payment for such quarter)</u>
1	\$98,916.55	31	\$58,469.26
2	97,818.20	32	56,814.76
3	96,704.75	33	55,137.51
4	95,575.99	34	53,437.20
5	94,431.71	35	51,713.51
6	93,271.69	36	49,966.12
7	92,095.72	37	48,194.70
8	90,903.58	38	46,398.93
9	89,695.05	39	44,578.46
10	88,469.90	40	42,732.95
11	87,227.91	41	40,862.08
12	85,968.84	42	38,965.48
13	84,692.46	43	37,042.81
14	83,398.53	44	35,093.70
15	82,086.81	45	33,117.79
16	80,757.05	46	31,114.71
17	79,409.01	47	29,084.09
18	78,042.43	48	27,025.55
19	76,657.05	49	24,938.70
20	75,252.63	50	22,823.16
21	73,828.90	51	20,678.53
22	72,385.60	52	18,504.41
23	70,922.45	53	16,300.40
24	69,439.18	54	14,066.08
25	67,935.52	55	11,801.04
26	66,411.18	56	9,504.85
27	64,865.88	57	7,177.09
28	63,299.33	58	4,817.32
29	61,711.24	59	2,524.11
30	60,101.32	60	0.00

INITIALS:

Seller: BB

Buyer: WDS

Railroad: K